North Central Regional Transit District (NCRTD)

Resolution 2013 - 18

A RESOLUTION AUTHORIZING THE NORTH CENTRAL REGIONAL TRANSIT DISTRICT TO PAY 75% OF THE 1.5% INCREASE IN PERA CONTRIBUTIONS FOR ALL DISTRICT EMPLOYEES, UNION AND NON-UNION, WHO EARN MORE THAN $20,000 PER YEAR

WHEREAS, the 2013 New Mexico Legislature enacted SB 27 that amended the Public Employees Retirement Act ("PERA" or the "Act") to alleviate PERA's increasing unfunded liability and deteriorating funded status; and

WHEREAS, SB 27 affects all current PERA members and retirees and amended many sections of the Act, most notably, adding a new benefit structure for new members on or after July 1, 2013; changing the cost of living adjustments for current and future retirees; changing the employer and employee contribution rates; and allowing municipal affiliated public employers by resolution or by collective bargaining agreement to be responsible for 75% of their employees' retirement contributions under certain conditions; and

WHEREAS, the Act increased employee contribution rates by 1.5% beginning in FY14 for employees that earn more than $20,000 per year; and

WHEREAS, the Act increased employer contribution rates by 0.4% beginning in FY15; and

WHEREAS, by FY15 the total increase in contribution rate is 1.9%; and

WHEREAS, the Act states that "[a] municipal affiliated public employer may elect by resolution of its governing body *or by execution of a collective bargaining agreement (new language in italics)*... to be responsible for making contributions of up to seventy-five percent of its employees' member contributions"; and

WHEREAS, the NCRTD Executive Board desires to adopt a resolution and execute an amendment to its collective bargaining agreement to establish that the District will pay 75% of the employees' June 30, 2013 contribution increase of 1.5% beginning with the first pay period following the adoption of this resolution or the execution of the amendment to the Collective Bargaining Agreement..

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE NCRTD THAT THE GOVERNING BODY AUTHORIZES THE FOLLOWING:

1. Effective as of the first pay period beginning after September 6, 2013, or the execution of any amendment to the Collective Bargaining Agreement (whichever is later) the District elects to pay 75% of the 1.5% increase in PERA contributions for all District employees, union and non-union, who earn more than $20,000, per year.

2. All District employees, union and non-union, shall be responsible for all other contribution amounts required by the Act or any amendment thereto.

3. As soon as practicable, the District shall negotiate amendment to the District's collective bargaining agreement to state that the District elects to pay 75% of the 1.5% increase in PERA contributions for union employees that earn more than $20,000 per year.

PASSED, APPROVED AND ADOPTED BY THE GOVERNING BODY OF THE NORTH CENTRAL REGIONAL TRANSIT DISTRICT ON THIS 6TH DAY OF SEPTEMBER, 2013.

Daniel Barrone, Chairman

Approved as to form:

Peter Dwyer, Counsel